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**CROATIA**

## ACTIVITY OVERVIEW

# Agribusiness (ACE)

**USAID assists Croatian farmers, producers and processors to raise the competitiveness of the Croatian agricultural sector in order to compete in national and regional markets.**



Development Alternatives Incorporated

*Mr. Mario Čajkulić, Director of Agriculture Cooperative Plodovi Ravnice, represents one of more than 50 project partners benefiting from USAID assistance to improve management, production, quality and marketing. Revenues in 2005 were nearly 70% higher than in 2004.*

**Implementer:** Development Alternatives Inc. (DAI)

**Partners:** Croatian agribusiness SMEs; Croatian agricultural producers; Croatian agricultural associations and cooperatives; Ministry of Agriculture, Forestry and Water Management; Croatian agro-tourism sector; agricultural financial institutions

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The collapse of large, vertically integrated agricultural producer/processor conglomerates during the 1990's hurt the competitiveness of Croatia's agricultural products. In order to meet the daunting challenge of competing directly with the heavily subsidized EU agriculture, Croatia's agriculture industry is strengthening its competitiveness, expanding processor utilization of domestic inputs and developing export markets. As part of this effort, the Agribusiness Competitiveness Enhancement (ACE) project assists Croatia's agribusinesses (consisting mostly of small and medium enterprises), to improve domestic market linkages between producers, processors and wholesale/retail outlets.

The project operates across the country and is organized around the three components: dairy, swine and horticulture. Technical assistance is provided from three project offices located in Zagreb, Osijek and Split. The project works at all levels of the food chain but the primary focus is on the development of "competitive production models" that can be replicated through major processors and retailers to their suppliers -- Croatian agricultural producers. ACE has agreements with more than 60 technical assistance partners representing more than 4000 farm producers.

The project continues to collaborate with Podravka, Lura and other large Croatian food processors to jointly improve farmer skills, productivity and quality. Technical assistance is also provided to small and medium size food companies and processor groups to improve processing efficiency, product quality and increase the demand for products from Croatian farmers.

**Results** In 2005, technical assistance increased production of agriculture output in target sections by 30,881 metric tons generating nearly \$20,000,000 in additional farm revenues.

Assistance is being provided to 23 dairy producer and processor organizations to improve production and milk quality. Production increased 15,788 metric tons and sales increased by over 36 million kuna in 2005.

Support to 19 fruit and vegetable producer organizations in 2005 improved production and product quality resulting in increased production by 11,232 metric tons and additional sales of over 39 million kuna.

As a result of USAID assistance in 2005, nine swine producer organizations enhanced their farm operations, improved production, raised quality and increased sales by more than 35 million kuna.